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Programme budget for the biennium 2002-2003

Outline of the proposed programme budget for the biennium 2004-2005 for the International Trade Centre UNCTAD/WTO

Report of the Secretary-General

I. Introduction

1. The General Assembly, in its decision 53/411 B of 18 December 1998, endorsed the revised administrative arrangements for the International Trade Centre UNCTAD/WTO (ITC) as set out in the report of the Advisory Committee on Administrative and Budgetary Questions (A/53/7/Add.3, para. 11).

2. In conformity with these administrative arrangements, the present report is submitted to the General Assembly through the Advisory Committee. It contains the ITC budget outline for the first year of activities for the coming biennium and a projection of requirements for the second year. The present outline will be submitted simultaneously to the Committee on Budget, Finance and Administration of the World Trade Organization (WTO) for its approval.

3. The budget outline of ITC is set out below, with the requirements expressed in Swiss francs, in line with the new arrangements.

II. Preliminary estimate to accommodate the International Trade Centre programme of activities during the biennium 2004-2005

4. ITC is responsible for the implementation of subprogramme 6 of programme 9, Trade and development, of the medium-term plan for the period 2002-2005.[1]

5. Over the past few years the importance of trade as a major contribution to development has been incrementally recognized. The Ministerial Declaration of the Fourth Ministerial Conference of WTO[2] (Doha, November 2001) and the Monterrey Consensus of the International Conference on Financing for Development[3] (March

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2002) have highlighted the strategic importance for development of trade-related technical assistance and capacity-building and contained specific reference to the work and role of ITC.

6. The demand for ITC services on the part of beneficiaries has been growing, and over the past two years, thanks to the generous contributions from the donor community, ITC delivery of technical assistance has increased by 20 per cent per year.

7. During the most recent years ITC launched new initiatives such as the e-Trade Bridge and the Executive Forum and, in order to meet growing demand with existing resources, developed new methodologies for delivering its programmes. In particular it developed a series of tools and products that can be customized to the needs of specific countries or used locally without additional assistance from ITC.

8. ITC is also actively engaged in multi-agency and interregional programmes, such as the Integrated Framework and the Joint Integrated Technical Assistance Programme to Selected Least Developed and Other African Countries, and closely cooperates with other agencies, such as the United Nations Conference on Trade and Development and the United Nations Industrial Development Organization.

9. It is proposed to increase resources for the biennium 2004-2005 in order to enable ITC to meet growing demand in selected areas. The same proposal is being submitted by the World Trade Organization (WTO) secretariat to the WTO General Council.

10. The proposed outline represents an increase of 5.4 per cent in real terms. The increase is mainly related to the creation of six Professional posts (three P-4, two P-3, one P-2 and five General Service posts), as well as the reclassification of three posts (two reclassifications from P-4 to P-5 and one reclassification from P-2 to P-3). These resources will be used to strengthen the capacity of ITC in the field of trade in services, one of the fastest-growing areas in international trade, and to strengthen the assistance provided to the business sector by expanding the number of country networks participating in the "World Tr@de Net" programme and enabling businesses to improve their capacity to actively participate in the multilateral trade negotiations. Support provided to the business sector would also be enhanced through the enterprise competitiveness programme, as well as through improved distribution and training in the use of ITC tools by enterprises in developing economies and economies in transition. In addition, the capacity of ITC to analyse trade flows and trade access barriers and analyses used by the Organization as a whole and by many public and private sector actors will be strengthened. Finally, as a result of growing demand from countries with economies in transition, the additional resources would assist in the implementation of expanded activities related to the coordination and horizontal integration of the interregional and multi-agency programmes with all the sectoral and country-specific activities of ITC, in the expansion of Executive Forum activities at the regional level and in the strengthening of the research and outreach magazine, *International Trade Forum*, which is widely distributed, both in print and electronically.

11. Minor increases are related to the procurement of a new van and to the procurement of furniture to accommodate new staff and replace part of the current furniture, which can no longer be repaired.

12. The following table shows the requirements for the biennium 2004-2005, expressed in thousands of Swiss francs:

	2002-2003 approved budget	*Resource change*	*Outline estimate at 2002-2003 prices*	*Outline estimate at 2004-2005 rates*		
				2004	*2005*	*Total for the biennium*
Resource requirements	61 722.7	3 355.9	65 078.6	33 126.3	33 523.5	66 649.8
Less income	695.0		695.0	347.5	347.5	695.0
Net amount to be shared with WTO	61 027.7		64 383.6	32 778.8	33 176.0	65 954.8
United Nations share	30 513.9		32 191.8	16 389.4	16 588.0	32 977.4

13. The requirements of ITC expressed at 2004-2005 rates are estimated at SwF 33,126,300 for 2004, and the preliminary estimate for 2005 is SwF 33,523,500. It is projected that an amount of SwF 347,500, representing income from various sources, would be available to ITC annually. On that basis, the annual contribution of each organization is estimated at SwF 16,389,400 and SwF 16,588,000 for 2004 and 2005 respectively.

14. The detailed proposed programme budget for ITC for the biennium 2004-2005 will be submitted to the General Assembly and to the General Council of WTO in the autumn of 2003, on the basis of the decisions that the Assembly takes on the present outline and the reaction received from the WTO Committee on Budget, Finance and Administration.

15. Pursuant to General Assembly decision 55/483 of 14 June 2001, the Secretary-General presented a report on the experience in applying the revised administrative arrangements to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions (A/C.5/57/14). The Advisory Committee recommended approval of the Secretary-General's proposal to initiate consultations with ITC and WTO for a joint review of the arrangements. In its decision 57/572 the General Assembly took note of the report and endorsed the recommendation of the Advisory Committee. The administrative arrangements will continue to apply pending the outcome of the joint review, the results and recommendations of which would have to be presented to the General Assembly through the Advisory Committee and to the General Council of WTO.

Notes

[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 6* (A/57/6/Rev.1).

[2] A/C.2/56/7, annex.

[3] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.